

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 224 – HB 443

March 28, 2013

SUMMARY OF ORIGINAL BILL: Establishes a cardholder's acceptance of the terms and conditions of a credit card account as binding and enforceable by either the cardholder's written or electronic signature, or if both of the following apply: the credit card agreement provides that any use of the credit card account constitutes acceptance of the terms and the cardholder or authorized user uses the credit card account. Authorizes a creditor to establish a presumption of the amount of the debt owed on a credit card account through a copy of the issuer's final billing statement or by the data maintained by the issuer, and authorizes the cardholder to challenge such presumption with any credible evidence as allowed by law. Authorizes a creditor to establish the contracted interest rate for a credit card account through either the terms and conditions that contain a stated or variable interest rate, or a billing statement generated by the issuer that contains a stated or variable interest rate.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005728): Deletes all language after the enacting clause. Requires a creditor's records to include written or electronic records of an original creditor, issuer, or succeeding creditor that have been acquired by the creditor through, including but not limited to, an account purchase transaction or assignment in the creditor's regularly conducted business and such records are: incorporated as a business duty into the records of the creditor's regularly maintained records; and relied upon in the creditor's regularly conducted business activity. Authorizes such records to be testified to by the creditor's custodian and deems them to be the records of the creditor for all intents and purposes unless the source of information or the method or circumstances of preparation indicate a lack of trustworthiness. Authorizes such records to be submitted as records of regularly conducted activity pursuant to Rule 803(6) of the Tennessee Rules of Evidence.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

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Assumptions for the bill as amended:

- The provisions of this bill as amended will not result in a significant fiscal or regulatory impact on the Department of Financial Institutions.
- Any fiscal impact will be borne by private parties affected by the provisions of this bill as amended.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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